DENISE VOIGT CRAWFORD SECURITIES COMMISSIONER

DON A. RASCHKE DEPUTY SECURITIES COMMISSIONER

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Texas State Securities Board

208 E. 10th Street. 5th Floor Austin. Texas 78701-2407 www.ssb.state.tx.us JACK D.LADD CHAIRMAN

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IN THE MATTER OF THE
APPLICATION FOR THE
INVESTMENT ADVISER
REPRESENTATIVE REGISTRATION
OF PAUL ALAN STOTTS

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Order No. IC06-CEN-33

TO: Paul Alan Stotts (CRD No. 4362247) Stotts Group, Inc. 4117 Woodcreek Dallas. TX 75220

DISCIPLINARY ORDER

Be it remembered that Paul Alan Stotts ("Respondent"), appeared before the Securities Commissioner of the State of Texas ("Securities Commissioner") and consented to the entry of this Order and the Findings of Fact or Conclusions of Law contained herein.

FINDINGS OF FACT

- 1. Respondent has waived (a) Respondent's right to notice and hearing in this matter; (b) Respondent's right to appear and present evidence in this matter; (c) Respondent's right to appeal this Order; and (d) all other procedural rights granted to the Respondent by The Securities Act, TEX. REV. CIV. STAT. ANN. art. 581-1 et seq. (Vernon 1964 & Supp. 2005)("Texas Securities Act"), and the Administrative Procedure Act, TEX. GOV'T CODE ANN. § 2001.001 et seq. (Vernon 2000 & Supp. 2005)("Administrative Procedure Act").
- 2. From on or about October 20, 1995 to the present, Stotts Group, Inc. ("Stotts Group") has been registered under the Investment Advisers Act of 1940 with the United States Securities and Exchange Commission as an investment adviser, and is a federal covered investment adviser that is notice-filed with the Securities Cornmissioner.
- 3. From on or about September 6, 1996 to on or about December 31, 2002, Respondent was registered with the Securities Commissioner as an investment adviser representative of Stotts Group.

2. It is further ORDERED that Paul Alan Stotts is hereby REPRIMANDED.

SIGNED AND ENTERED BY THE SECURITIES COMMISSIONER this 4th day of 2006.

DENISE VOIGT CRAWFORD Securities Commissioner

Respondent:

Paul Alan Stotts

Approved as to Form:

Benette L. Zivley

Director

Inspections and Compliance Division

ACKNOWLEDGMENT

On the day of day of executed, 2006, Paul Alan Stotts ("Respondent"), personally appeared before med executed the foregoing Order, and acknowledged:

- 1. Respondent has read the foregoing Order;
- 2. Respondent has been fully advised of his rights under the Texas Securities Act and the Administrative Procedure Act;
- 3. Respondent knowingly and voluntarily consents to the entry of the foregoing Order and the Findings of Fact and Conclusions of Law contained therein; and,
- **4.** Respondent, by consenting to the entry of the foregoing Order, has knowingly and voluntarily waived his rights as set forth therein.

the State o<u>f Texas</u>

My commission expires on: 07-30-2009

[affix notary seal here]